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June 13, 2013

**VIA RESS, EMAIL and COURIER**

Ms Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street, Suite 2700  
Toronto, Ontario, M4P 1E4

Dear Ms Walli:

**Re: EB-2013-0206 (GRAM Application)**

Further to Enbridge Gas Distribution's letter and filing of the Q3 GRAM Application on June 11, 2013, please find attached the updated as follows:

Exhibit Q3-2, Tab 4, Schedule 1, page 3  
Exhibit Q3-2, Tab 1, Schedule 1  
Exhibit Q3-3, Tab 4, Schedule 8, pages 1, 3, 7 and 13  
Exhibit Q3-3, Tab 1, Schedule 1, page 1  
Rate Handbook – Rider C

This submission was filed through the Board's RESS and will be available on the Company's website at [www.enbridgegas.com/ratecase](http://www.enbridgegas.com/ratecase).

Please contact the undersigned if you have any questions.

Yours truly,

(Original Signed)

Stephanie Allman  
Regulatory Coordinator

cc: Mr. F. Cass, Aird & Berlis LLP  
All Interested Parties in EB-2011-0354

## FORECAST OF GAS COSTS

### Purpose of Evidence

1. The Company is updating its' forecast of gas costs effective July 1, 2013 in accordance with the Quarterly Rate Adjustment Mechanism pricing methodology in place and stemming from Settlement Agreements and Board Decisions in RP-2000-0040, RP-2002-0133, RP-2003-0203 and EB-2008-0106.
2. The Company recalculated the Utility Price based upon a 21-day average of various indices from May 3, 2013 to May 31, 2013 for 12 months commencing July 1, 2013 and applied these monthly prices to the 2013 forecasted annual volume of gas purchases as presented in EB-2011-0354 Exhibit N1, Tab 1, Schedule 1, Appendix B, page1. The recalculated Utility Price is  $\$203.085/10^3\text{m}^3$  ( $\$5.388/\text{GJ}$ ) (as per Exhibit Q3-3, Tab 1, Schedule 1, p. 1). This represents a unit cost increase of  $\$20.155/10^3\text{m}^3$  or  $\$0.534/\text{GJ}$  to the April 1, 2013 reference price of  $\$182.930/10^3\text{m}^3$  ( $\$4.854/\text{GJ}$ ) as shown at EB-2013-0206 Exhibit Q3-3, Tab 1, Schedule 1, page1.
3. The Company is proposing to change its Utility Price effective July 1, 2013 to  $\$203.085/10^3\text{m}^3$  and change rates accordingly.
4. The recalculated Utility Price of  $\$203.085/10^3\text{m}^3$  represents an annual Western Canadian price of approximately  $\$3.565/\text{GJ}$  at Empress (Exhibit Q3-3, Tab 1, Schedule 4, Column 1). This compares to the forecasted April 2013 Utility Price of  $\$182.930/10^3\text{m}^3$  which represented an annual Western Canadian price of approximately  $\$3.089/\text{GJ}$  at Empress. The forecasted April 2013 Utility Price was based upon a 21-day average of various prices, exchange rates and basis

Witness: D. Small

differential from January 31, 2013 to February 28, 2013 for the 12 month period April 2013 to March 2014.

5. Exhibit Q3-3, Tab 1, Schedule 2, page 1, is intended to serve a number of purposes. Column 6, Item # 13 indicates that, based on the forecast of gas supply purchase volumes for the 12 months July 1, 2012 to June 30, 2013, the Company projects a \$ 11.2 Million credit balance in the Purchased Gas Variance Account at the end of June 2013 relating to the Company's gas supply acquisition excluding the impact of any true-up of any over/under collection of Rider C amounts. Column 7, Item # 13 provides the Forecasted Clearance amount from the April 2013 QRAM (\$ 33.6 million debit). Column 8, Item # 13(a) represents the amount in the PGVA that will need to be cleared via a prospective Rider effective July 1, 2013 (\$ 22.4 million credit).
6. Column 8, Item # 13(b) represents a one-time credit adjustment to the Transportation Component of the PGVA. This one-time adjustment is the share of net revenues from capacity release transactions that was credited to the Enbridge shareholder in 2011 which the Board directed the Company to clear to customers as per the EB-2012-0055 Decision. The proposal for the clearance of this amount was a part of the Draft Rate Order in EB-2012-055 (see Attachment A, page 1 of 1) which was accepted by the Board.
7. Columns 9 through 12 break down that PGVA balance into Commodity, Transportation and Load Balancing components. Column 6, Item # 26 indicates that, based on the 2013 forecast of annual gas supply purchase volumes for the 12 months commencing July 1, 2013, the Company projects a \$(0.0) million balance in the Purchased Gas Variance Account at the end of June 2014.

Witness: D. Small

8. Exhibit Q3-3, Tab 1 Schedule 2, page 2, Items 1.1 to 1.12 provides a monthly summary of the variances associated with the July 2012 to June 2013 purchases; Items 2.1 to 2.12 provide a summary of the variances provided in the April 2013 QRAM; and Items 3.1 to 3.12 represent the monthly variances to be cleared as part of the July 2013 QRAM. Exhibit Q3-3, Tab 1 Schedule 2, pages 3-4 provide the breakdown of the various monthly supplies of the Company by commodity, transportation and load balancing variance.
9. Exhibit Q3-3, Tab 1, Schedule 2, pages 5, 6 and 7 and Exhibit Q3-3, Tab 1, Schedule 3, page 2 provide the calculation of differences between forecast and actual amounts recovered or refunded through Rider C. Exhibit Q3-3, Tab 1, Schedule 2, page 5, Item 6 provides a breakdown, by quarter, of the forecasted recovery amounts associated with each QRAM's Rider C amounts associated with the Commodity component of the PGVA. Exhibit Q3-3, Tab 1, Schedule 2, page 5, Item 12 (\$51.9 million) represents the actual Rider C amounts refunded in the previous quarter. Exhibit Q3-3, Tab 1, Schedule 2, page 5, Item 13, Column 9 (\$1.5 million) represents the Rider C variances that need to be either collected or refunded to customers within the July 2013 QRAM. Exhibit Q3-3, Tab 1, Schedule 2, page 6, Item 6 provides a breakdown, by quarter, of the forecasted recovery amounts associated with each QRAM's Rider C amounts associated with the Transportation component of the PGVA. Exhibit Q3-3, Tab 1, Schedule 2, page 6, Item 12 (\$2.6 million) represents the actual Rider C amounts recovered in the previous quarter. Q3-3, Tab 1, Schedule 2, page 6, Item 13, Column 9 (\$0.1 million) represents the Rider C variances that need to be either collected or refunded to customers within the July 2013 QRAM. Exhibit Q3-3, Tab 1, Schedule 2, page 7, Item 6 provides a breakdown, by quarter, of the forecasted recovery amounts associated with each QRAM's Rider C amounts associated with

the Load Balancing component of the PGVA. Exhibit Q3-3, Tab 1, Schedule 2, page 7, Item 12 (\$1.1 million) represents the actual Rider C amounts recovered in the previous quarter. Q3-3, Tab 1, Schedule 2, page 7, Item 13, Column 9 (\$0.0 million) represents the Rider C variances that need to be either collected or refunded to customers within the July 2013 QRAM. Actual data for Q2 (April 2013 to June 2013) is not available at this time.

10. Exhibit Q3-3, Tab 1, Schedule 3, page 1, provides the revaluation of gas inventory based on the 2013 forecast of volumes and the change in the PGVA Reference price. The total in Item 27, Column 6 (\$14.3 million) is used to form the July 1, 2013 Rider C unit rates as depicted at Exhibit Q3-3, Tab 4, Schedule 8.
11. Exhibit Q3-3, Tab 1, Schedule 3, page 2 Item 6 provides a breakdown, by quarter, of the forecasted recovery amounts associated with each QRAM the Rider C amounts associated with the inventory re-evaluation component of the PGVA. Exhibit Q3-3, Tab 1, Schedule 3, page 2, Item 12 (\$15.5 million) represents the actual Rider C amounts recovered in the previous quarter. Q3-3, Tab 1, Schedule 3, page 2, Item 13, Column 9 (\$1.3 million) represents the Rider C variances that need to be either collected or refunded to customers within the July 2013 QRAM.
12. The derivation of the July 1, 2013 Reference Price is based upon TCPL tolls effective March 1, 2011 as per NEB order TGI-04-2010 dated February 24, 2011. The TCPL toll relative to the January 1/13 QRAM is  $\$84.535/10^3\text{m}^3$  (\$2.243/GJ) as per Exhibit Q3-3, Tab 1, Schedule 1, page 1. This represents no change from the April 2013 QRAM.

Witness: D. Small

8. The impact of the price changes discussed above on a typical residential customer on sales service (system gas) is an annualized increase of approximately 6.1%, or \$62. The customer's new annual bill is \$1,075. On a T-service basis (total bill excluding commodity charges), a typical residential customer will see an increase of approximately 0.8% or \$5 annually.

#### PGVA Clearing

9. Effective January 1, 2010, Enbridge adopted its new PGVA clearing methodology as approved by the Board in the EB-2008-0106 QRAM generic proceeding. Through the new methodology, Enbridge identifies components of its PGVA that are attributable to commodity, transportation and load balancing costs. Based on this breakdown, individual riders are determined and applied (where applicable) to Sales, Western T-service and Ontario T-service customers. The PGVA balances attributable to commodity, transportation and load balancing for the July 1, 2013 QRAM can be found at Exhibit Q3-3, Tab 1, Schedule 2. Exhibit Q3-3, Tab 4, Schedule 8, pages 1 to 16 depicts the schedules supporting the derivation of each of the Rider C unit rates for commodity, transportation and load balancing.
10. Effective from July 1, 2013 to June 30, 2014, the Rider C unit rate for residential customers on sales service is (0.8600) ¢/m<sup>3</sup>, for Western T-service is 0.2381 ¢/m<sup>3</sup> /u and for Ontario T-service is 0.1662 ¢/m<sup>3</sup>.

**ENBRIDGE GAS DISTRIBUTION INC.**  
Component of the Purchased Gas Variance Account  
Gas Acquisition Costs

Item #	Particulars	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11	Col. 12
		Purchase Cost \$(000)	10 <sup>3</sup> m <sup>3</sup>	Unit Cost \$/10 <sup>3</sup> m <sup>3</sup>	Reference Price \$/10 <sup>3</sup> m <sup>3</sup>	Unit Rate Difference \$/10 <sup>3</sup> m <sup>3</sup>	Monthly Variance \$(000)	Forecast Clearance April 1, 2013 QRAM \$(000)	Col. 6 minus Col. 7 \$(000)	Commodity Component \$(000)	Transportation Component \$(000)	Load Balancing Component Delivered Supplies Peaking Supplies \$(000)	
1	Jul-12	78,569.7	571,246.9	137.541	159.304	(21.763)	(12,432.0)	12,432.0	-	-	-	-	-
2	Aug-12	83,208.7	607,235.6	137.029	159.304	(22.275)	(13,526.2)	13,526.2	-	-	-	-	-
3	Sep-12	63,669.8	440,777.5	144.449	159.304	(14.855)	(6,547.7)	6,547.7	-	-	-	-	-
4	Oct-12	79,789.8	497,275.6	160.454	166.042	(5.588)	(2,778.8)	2,778.8	-	-	-	-	-
5	Nov-12	90,791.1	519,552.5	174.749	166.042	8.707	4,523.7	(4,523.7)	-	-	-	-	-
6	Dec-12	127,034.3	675,152.3	188.156	166.042	22.114	14,930.3	(14,930.3)	-	-	-	-	-
7	Jan-13	144,418.5	769,675.7	187.636	189.211	(1.575)	(1,213.0)	1,213.0	-	-	-	-	-
8	Feb-13	119,897.1	640,969.5	187.056	189.211	(2.155)	(1,381.3)	3,065.9	1,684.6	1,515.7	103.1	64.2	1.3
9	Mar-13	116,762.6	629,319.7	185.538	189.211	(3.673)	(2,311.5)	13,524.2	11,212.7	8,142.9	171.5	2,263.4	634.5
10	Apr-13	112,484.8	590,197.0	190.589	182.930	7.659	4,520.3	3,568.9	4,520.3	3,568.9	362.6	588.6	-
11	May-13	108,196.7	579,634.7	186.664	182.930	3.734	2,164.3	2,164.3	2,164.3	(140.3)	357.5	1,946.9	-
12	Jun-13	94,445.2	500,756.4	188.605	182.930	5.675	2,841.8	2,841.8	2,841.8	1,433.4	72.0	1,336.4	-
13	Total (Lines 1 to 12)	<b>1,219,268.2</b>	<b>7,021,793.3</b>	<b>173.641</b>			<b>(11,210.1)</b>	<b>33,633.8</b>	<b>22,423.7</b>	<b>14,520.5</b>	<b>1,066.7</b>	<b>6,199.6</b>	<b>635.8</b>
13 (a)	One-Time Credit Adjustment to Transportation Component of PGVA						<b>(776.3)</b>		<b>(776.3)</b>		<b>(776.3)</b>		
13 (b)	Total						<b>(11,986.4)</b>	<b>33,633.8</b>	<b>21,647.4</b>	<b>14,520.5</b>	<b>290.4</b>	<b>6,199.6</b>	<b>635.8</b>
Current QRAM Period													
14	Jul-13	126,706.7	686,426.8	184.589	203.085	(18.496)	(12,695.8)	(12,695.8)					
15	Aug-13	127,246.4	686,426.8	185.375	203.085	(17.710)	(12,156.3)	(12,156.3)					
16	Sep-13	109,524.4	574,630.7	190.600	203.085	(12.485)	(7,174.0)	(7,174.0)					
17	Oct-13	105,912.3	547,795.9	193.343	203.085	(9.742)	(5,336.4)	(5,336.4)					
18	Nov-13	91,166.8	428,703.4	212.657	203.085	9.572	4,103.8	4,103.8					
19	Dec-13	138,286.0	660,557.9	209.347	203.085	6.262	4,136.7	4,136.7					
20	Jan-14	169,438.7	752,811.0	225.075	203.085	21.990	16,554.7	16,554.7					
21	Feb-14	156,263.2	677,517.7	230.641	203.085	27.556	18,670.0	18,670.0					
22	Mar-14	133,009.6	606,162.8	219.429	203.085	16.344	9,907.4	9,907.4					
23	Apr-14	102,520.3	521,566.2	196.562	203.085	(6.523)	(3,401.9)	(3,401.9)					
24	May-14	113,639.7	593,162.0	191.583	203.085	(11.502)	(6,822.3)	(6,822.3)					
25	Jun-14	110,913.1	574,630.7	193.016	203.085	(10.069)	(5,785.9)	(5,785.9)					
26	Total (Lines 14 to 25)	<b>1,484,627.3</b>	<b>7,310,391.8</b>	<b>203.085</b>			<b>0.0</b>						<b>0.0</b>

**Rate Rider Summary  
July 2013 - QRAM Q3**

Item No.	Description	Sales Service Unit Rate	Western Transportation Service Unit Rate	Ontario Transportation Service Unit Rate
		Col. 1 (¢/m³)	Col. 2 (¢/m³)	Col. 3 (¢/m³)
1.	Rate 1	(0.8600)	0.2381	0.1662
2.	Rate 6	(0.9291)	0.2179	0.1460
3.	Rate 9	(0.2143)	0.0719	0.0000
4.	Rate 100	(0.9291)	0.2179	0.1460
5.	Rate 110	(0.4007)	0.1033	0.0314
6.	Rate 115	(0.3057)	0.0828	0.0109
7.	Rate 135	(0.2143)	0.0719	0.0000
8.	Rate 145	(0.8580)	0.1249	0.0530
9.	Rate 170	(0.5551)	0.1017	0.0298
10.	Rate 200	(0.9297)	0.1842	0.1123



**Derivation of Transportation Unit Rates  
July 2013 - QRAM Q3**

Item No	Description	Forecast Volumes		% Allocation (1)	Transportation Total for Clearing (2)	Transportation Valuation Rate Class (3)	Transportation Unit Rate Col. 5 (\$/m³)
		Col. 1 (m³)	July 2013 - June 2014 (12 months volume)				
1.	Rate 1 System, Buy/sell, WTS	4,337,036,544		52.83%		207,504	0.0048
2.	Rate 6 System, Buy/sell, WTS	3,471,099,440		42.28%		166,073	0.0048
3.	Rate 9 System, Buy/sell, WTS	1,838,333		0.02%	88		0.0048
4.	Rate 100 System, Buy/sell, WTS	-		0.00%	0		-
5.	Rate 110 System, Buy/sell, WTS	129,833,744		1.58%		6,212	0.0048
6.	Rate 115 System, Buy/sell, WTS	12,969,489		0.16%		621	0.0048
7.	Rate 135 System, Buy/sell, WTS	20,497,816		0.25%		981	0.0048
8.	Rate 145 System, Buy/sell, WTS	42,256,589		0.51%		2,022	0.0048
9.	Rate 170 System, Buy/sell, WTS	69,887,019		0.85%		3,344	0.0048
10.	Rate 200 System, Buy/sell, WTS	124,230,897		1.51%		5,944	0.0048
11.	Grand Total	8,209,649,870		100.00%	392,788	392,788	

Notes: (1) Bundled Transportation Deliveries allocation factor. EB-2013-0206, Exhibit Q2-3, Tab 3, Schedule 4, Page 1  
(2) EB-2013-0206, Tab 1, Schedule 2, Page 1, Line 13, Col. 10 + Page 6, Line 13, Col. 9  
(3) Col. 4 = Col. 2 \* 392788 (Transportation)  
(4) Col. 5 = Col. 4 / Col. 1

**Summary of Transportation Rider  
July 2013 - QRAM Q3**

Item No.	Description	Total Transportation Unit Rate
		Col. 1 (¢/m³)
1.	Rate 1	0.0719
2.	Rate 6	0.0719
3.	Rate 9	0.0719
4.	Rate 100	0.0000
5.	Rate 110	0.0719
6.	Rate 115	0.0719
7.	Rate 135	0.0719
8.	Rate 145	0.0719
9.	Rate 170	0.0719
10.	Rate 200	0.0719

**ENBRIDGE GAS DISTRIBUTION INC.**  
**Unit Rates for Component: Transportation**

Item No.	Description	Year 2012		Year 2013				Total Unit Rate (₱/m³)	
		October	(1)	January		April			(4)
		Q4		Q1	(2)	Q2	(3)		
		Col. 1 (₱/m³)	Col. 2 (₱/m³)	Col. 3 (₱/m³)	Col. 4 (₱/m³)	Col. 5			
1	Rate 1	0.0352	0.0241	0.0077	0.0048	0.0719			
2	Rate 6	0.0352	0.0241	0.0077	0.0048	0.0719			
3	Rate 9	0.0352	0.0241	0.0077	0.0048	0.0719			
4	Rate 100	0.0000	0.0000	0.0000	0.0000	0.0000			
5	Rate 110	0.0352	0.0241	0.0077	0.0048	0.0719			
6	Rate 115	0.0352	0.0241	0.0077	0.0048	0.0719			
7	Rate 135	0.0352	0.0241	0.0077	0.0048	0.0719			
8	Rate 145	0.0352	0.0241	0.0077	0.0048	0.0719			
9	Rate 170	0.0352	0.0241	0.0077	0.0048	0.0719			
10	Rate 200	0.0352	0.0241	0.0077	0.0048	0.0719			

Notes: (1) EB-2012-0352, Tab 4, Schedule 8, Page 11  
(2) EB-2012-0428, Tab 4, Schedule 8, Page 11  
(3) EB-2013-0045, Tab 4, Schedule 8, Page 11  
(4) EB-2013-0206, Tab 4, Schedule 8, Page 11  
(5) Col. 5 = Col. 1 + Col. 2 + Col. 3 + Col. 4

The following adjustment is applicable to all gas sold or delivered during the period of July 1, 2013 to June 30, 2014.

Rate Class	Sales Service ( ¢/m³ )	Western Transportation Service ( ¢/m³ )	Ontario Transportation Service ( ¢/m³ )
Rate 1	(0.8600)	0.2381	0.1662
Rate 6	(0.9291)	0.2179	0.1460
Rate 9	(0.2143)	0.0719	0.0000
Rate 100	(0.9291)	0.2179	0.1460
Rate 110	(0.4007)	0.1033	0.0314
Rate 115	(0.3057)	0.0828	0.0109
Rate 135	(0.2143)	0.0719	0.0000
Rate 145	(0.8580)	0.1249	0.0530
Rate 170	(0.5551)	0.1017	0.0298
Rate 200	(0.9297)	0.1842	0.1123

Rate Class		Sales Service ( ¢/m³ )	Western Transportation Service ( ¢/m³ )	Ontario Transportation Service ( ¢/m³ )
Rate 1	Commodity	(1.0981)		
	Transportation	0.0719	0.0719	
	<u>Load Balancing</u>	<u>0.1662</u>	<u>0.1662</u>	<u>0.1662</u>
	Total	(0.8600)	0.2381	0.1662
Rate 6	Commodity	(1.1470)		
	Transportation	0.0719	0.0719	
	<u>Load Balancing</u>	<u>0.1460</u>	<u>0.1460</u>	<u>0.1460</u>
	Total	(0.9291)	0.2179	0.1460
Rate 9	Commodity	(0.2862)		
	Transportation	0.0719	0.0719	
	<u>Load Balancing</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>
	Total	(0.2143)	0.0719	0.0000
Rate 100	Commodity	(1.1470)		
	Transportation	0.0719	0.0719	
	<u>Load Balancing</u>	<u>0.1460</u>	<u>0.1460</u>	<u>0.1460</u>
	Total	(0.9291)	0.2179	0.1460
Rate 110	Commodity	(0.5040)		
	Transportation	0.0719	0.0719	
	<u>Load Balancing</u>	<u>0.0314</u>	<u>0.0314</u>	<u>0.0314</u>
	Total	(0.4007)	0.1033	0.0314
Rate 115	Commodity	(0.3885)		
	Transportation	0.0719	0.0719	
	<u>Load Balancing</u>	<u>0.0109</u>	<u>0.0109</u>	<u>0.0109</u>
	Total	(0.3057)	0.0828	0.0109
Rate 135	Commodity	(0.2862)		
	Transportation	0.0719	0.0719	
	<u>Load Balancing</u>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0000</u>
	Total	(0.2143)	0.0719	0.0000

EFFECTIVE DATE:	IMPLEMENTATION DATE:	BOARD ORDER:	REPLACING RATE EFFECTIVE:	Page 2 of 3
July 1, 2013	July 1, 2013	EB-2013-0206	April 1, 2013	Handbook 55

Rate Class		Sales Service ( ¢/m³ )	Western Transportation Service ( ¢/m³ )	Ontario Transportation Service ( ¢/m³ )
Rate 145	Commodity	(0.9829)		
	Transportation	0.0719	0.0719	
	<u>Load Balancing</u>	<u>0.0530</u>	<u>0.0530</u>	<u>0.0530</u>
	Total	(0.8580)	0.1249	0.0530
Rate 170	Commodity	(0.6568)		
	Transportation	0.0719	0.0719	
	<u>Load Balancing</u>	<u>0.0298</u>	<u>0.0298</u>	<u>0.0298</u>
	Total	(0.5551)	0.1017	0.0298
Rate 200	Commodity	(1.1139)		
	Transportation	0.0719	0.0719	
	<u>Load Balancing</u>	<u>0.1123</u>	<u>0.1123</u>	<u>0.1123</u>
	Total	(0.9297)	0.1842	0.1123